

Explanation of Expenditure Increases/(Decreases) Fiscal Year 2002

Category	Increase (Decrease)	Explanation
City Departments	1,858,947	Increase due to additional funds for Parks and Recreation programs that are bringing new revenue to the city; half a year of operational funds for the Hampton History Museum; increased cost for Settlers Landing Parking deck due to renegotiated contract; funding for police officers once grant funded; half a year of funding for 12 new firefighters; utility cost increases; convention center marketing; and annualization of merit.
City/State Supported Departments	837,553	Increase due to creation of a new department for Delinquent Tax Collection; increase in the juvenile per diem; increase in juror fees; and WAE registrars.
Retirement and Employee Benefits	1,729,696	Much of this increase can be attributed to a 10% salary structure adjustment, feathering of salaries from \$100 to \$500 depending on years of service, and 1%-3%-5% merit.
Contributions to Agencies	356,236	This increase funds a required increase in the regional jail; 3% increase in community services budget; and an increase in the Coliseum BID match due to rate increase.
Debt Service	1,018,989	Funds required for debt service payments and one-half of available line of credit.
Transfer to Capital Budget	(205,000)	Reflects reduced capital projects expenditures in order to balance the budget.

Category	Increase (Decrease)	Explanation
Transfer to Other Funds	2,280,814	Net increase a result of new transfer for Convention Center, which is funded with increases in the meals tax and lodging tax; increase transfer to the Hamptons Golf Course; new transfer to EXCEL Fund to support the American Theatre; and a reduction in the transfer to Solid Waste.
School Operations		
Local Funds	1,362,685	The local contribution to schools is based on an agreed upon formula in which they will receive a certain percentage of residential general property taxes and utility taxes.
State Funds	(597,505)	This net decrease can be attributed to a decrease in the State Basic Aid appropriation and a slight increase in State Lottery revenue.
Federal Funds	127,869	This is the result of increased federal impact funds.
Other Funds	39,500	The slight increase in Other Funds can be attributed to revenue earned in fees and rent payments from the school leasing space on its telecommunications towers.
Net Increase	8,809,784	